DOCUMENT RESUME

ED 310 432 CS 506 698

AUTHOR Pincus, J. David; And Others
TITLE Conflict between Public Relations Agencies and Their Clients: A Coorientation Analysis.
PUB DATE Aug 89
NOTE 21p.; Paper presented at the Annual Meeting of the Association for Education in Journalism and Mass Communication (72nd, Washington, DC, August 10-13, 1989).
PUB TYPE Reports - Research/Technical (143) -- Speeches/Conference Papers (150)

EDRS PRICE MF01/PC01 Plus Postage.
DESCRIPTORS *Business Communication; Communication Research; *Conflict; *Interprofessional Relationship; Professional Services; *Public Relations
IDENTIFIERS California (South); *Client Relations; Coorientation; Professional Concerns

ABSTRACT

To examine why public relations agency-client relationships frequently break down, a study investigated the sources of conflict between 25 southern California public relations agencies and their clients by having 30 agent/client pairs complete questionnaires. Of the 25 agencies, 12 agreed to participate; the 30 pairs were obtained because some agencies produced information on more than one of their clients. Coorientation analysis compared agencies' and clients' views on the steps in the public relations programming process. Results revealed that the issues of severest conflict were: (1) targeted audiences; (2) implementation; and (3) cost; and that agencies were more accurate in their reading of client perceptions of conflict points than were clients in their reading of agency perceptions. (One table of data and 58 notes are included.) (SR)

****
* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *
****

ED310432

CONFLICT BETWEEN PUBLIC RELATIONS AGENCIES AND THEIR CLIENTS: A COORIENTATION ANALYSIS

J. David Pincus, Ph.D.
School of Communications
California State University, Fullerton
Fullerton, CA 92634
(714) 449-7005

Lalit Acharya, M.A.
School of Business
University of Southern California
Los Angeles, CA 90089-1421
(213) 743-8779

Edgar Trotter, Ph.D.
School of Communications
California State University, Fullerton
Fullerton, CA 92634
(714) 773-3517

Carrie St. Michel, M.A.

A paper presented to the Public Relations Division
of the Association for Education in Journalism and Mass Communication
at its annual convention, Washington, D.C., August, 1989.

CS506698

BEST COPY AVAILABLE

"PERMISSION TO REPRODUCE THIS MATERIAL HAS BEEN GRANTED BY
J. David Pincus
TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)."

U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)
☐ This document has been reproduced as received from the person or organization originating it.
☐ Minor changes have been made to improve reproduction quality.
• Points of view or opinions stated in this document do not necessarily represent official OERI position or policy.

CONFLICT BETWEEN PUBLIC RELATIONS AGENCIES AND THEIR CLIENTS: A COORIENTATION ANALYSIS

A paper presented to the Public Relations Division
of the Association for Education in Journalism and Mass Communication
at its annual convention, Washington, D.C., August, 1989.

Abstract

Conflict Between Public Relations Agencies and Their Clients: A Coorientation Analysis

This study investigated the sources of conflict between 25 southern California public relations agencies and their clients. Coorientation analysis compared agencies' and clients' views on the steps in the public relations programming process.

Results revealed that the issues of severest conflict threatening client-agency relationships are target audiences, implementation, and cost.

The conceptual framework underlying the study integrates theories on conflict, public relations roles and games. The authors discuss the theoretical and practical implications of the findings, and offer a future research agenda.

CONFLICT BETWEEN PUBLIC RELATIONS AGENCIES AND THEIR CLIENTS: A COORIENTATION ANALYSIS

INTRODUCTION

Businesses today are increasingly retaining public relations and advertising agencies to perform or supplement many of the tasks traditionally reserved for in-house staff. Unfortunately, the agency-client relationship is unusually short-lived because one of the parties quickly becomes dissatisfied with the other. Edward DiMingo, director of corporate communications for the New Jersey-based Infotron Systems, puts the situation into perspective: "Corporate America invests billions of dollars each year in a volatile, fragile relationship: that between the advertising or public relations agency and the corporation."[1]

The popular literature reveals that the agency-client partnership is riddled with costly, debilitating and unexplainable conflict. Indeed, "volatile" and "fragile" may be the right words to describe this relationship, particularly in the advertising industry. Beiser observes, "Clients and agencies are a lot like husbands and wives. The relationships are rarely without turmoil and all too often end up in divorce court."[2] Stretching the analogy, Hume says, "If you judge by the accounts shifts reported weekly, you'd think the divorce rate in the ad industry is accelerating as fast as it seems to be with people."[3]

RATIONALE

The problem of fractured agency-client relationships is not endemic to advertising agencies. St. Michel says that "a similar trend exists in regard to public relations agencies and their clients. As is true with advertising agencies, it is not unusual for client relationships to terminate after a year or less."[4]

Why are these commitments between public relations agencies and their clients so fleeting and insecure? How can conflict between parties who share similar goals escalate so severely and quickly that their relationship suffers permanent damage? The absence of answers is puzzling for two reasons. First, because of the multi-million dollar investment at stake for both the agency and client. And second, because of the expressed reluctance by both agencies and their clients to end such relationships.[5]

Relevance to public relations

Developing a better understanding of why agency-client relationships frequently break down holds important implications for public relations profession. This is true for several reasons. First, as public relations grows in size and importance, and as corporate staffs are made leaner in the current wave of downsizings and restructurings, top managers are increasingly seeking specialized counsel from the burgeoning number of outside firms, now approaching 7,000.[6]

As specialists within the profession proliferate and external pressures mount, existing staffs and counseling firms will be expanded. The trend will be for organizations, even those with in-house departments, to retain outside firms either as general counsel or for specialized projects and services.[7]

Second, organizations' reliance on outside counsel seems to be increasingly more selective and situation-driven, often resulting in short-term project relationships between the client and a number of different public relations agencies.

Increasingly, clients are less willing to establish relationships with outside firms (giving them all their public relations work). More and more, they shop around on a transactional basis, trying to find specialists to deal with specific short-term problems.[8]

Therefore, discovering how to create more lasting bonds with clients can be vital in extending project assignments to longer-term relationships.

Although the target of much speculation, the perplexing phenomenon of agency-client conflict is void of systematic and empirical research. DiMingo summarizes the need for serious study:

The agency/client relationship is the subject of entirely too much mystique. At the bottom line, it is a hard-headed, results-oriented marriage intended to produce specific, measurable results. Yet, little of the management literature focuses scrutiny on the thin line between success and failure.[9]

This exploratory study sought to identify the major source(s) of disruptive conflict in the delicate public relations agency-client relationship. We believe that through a better understanding of the anatomy of conflict, we can suggest ways to minimize or avoid it.

This paper comprises four sections. The first analyzes and integrates prior research on conflict, role theory, game theory, cognitive imbalance or asymmetry theory, and public relations roles to form the basis for the research questions that guided this study. The second section describes the research methodology, while the third reports central findings. The final section discusses theoretical and practical implications of the results as well as suggests directions for future research.

CONCEPTUAL FOUNDATIONS OF AGENCY-CLIENT CONFLICT

Understanding why agencies and their clients fail to maintain long-term business relationships requires, in our view, an appreciation of the varying perspectives of conflict. A fundamental premise of this study is that conflict should be evaluated from both a "human expectations" as well as a "strategic information exchange" viewpoint. Only then can we begin to understand how and why agency-client associations are torn apart.

Conflict

An initial step is to define the concept of conflict. According to Frost and Wilmot, conflict is "one of the most pervasive and confounding of all activities."[10] They further interpret it as:

. . . an expressed struggle between at least two interdependent parties, who perceive incompatible goals, scarce rewards, and interference from the other party in achieving their goals. They are in a position of opposition in conjunction with cooperation.[11]

Some of the terms of the definition apply directly to agency-client relationships. For one, its focus is on expressed rather than hidden conflict. As Frost and Wilmot note, "It is through communication behavior that conflicts are recognized, expressed and experienced."[12] Thus, inclusive to the term is not only expression but actual behavior. Echoing this aspect of conflict, Miller lists 15 warning signs "indicating when an account person is 'on the outside, looking in.'"[13] These include, for example, clients not returning phone calls, agency representatives finding out about a major speech in the client institution after the fact, etc.

A second aspect of the definition that merits attention is its notion of interdependence where "each person's choices affect the other because conflict is a mutual activity."[14] Thus, conflict could arise because of decision choices made by either the agency or client organization. Kiely and Crary state that implicit in the notion of interdependence is that people are bound by common interests and concerns, therefore, "not totally antagonistic to each other."[15] Despite the frightening regularity with which agency-client partnerships end, Kent argues that the drive is towards maintaining rather than ending this professional relationship: "Firing an agency is never a frivolous move. And the aggravation of finding and indoctrinating a new agency far outweighs the annoyance of a troubled relationship." At the same time, problem relationships receiving no special treatment may "stretch the fragile partnerships to the limit." And, while remedies may be available, it is sometimes easier to terminate an "ailing relationship" than to work out a cure.[16]

Thus, the frequency of breakdowns in a public relations agency-client relationship may indicate the presence of intense and unendurable levels of conflict.

Last is the notion of rewards, which are "any positively perceived physical, economic or social consequence."[17] These may be real or perceived, tangible or intangible.[18]

Conflict can be a healthy outlet through which an agency and client can debate, air differences, force recognition of other viewpoints, or otherwise search for common ground. However, when it is left unattended, conflict--inevitable in any human relationship--can "disrupt or drastically alter the existing interdependency" in a relationship.[19]

Implications for the agency-client partnership are that both have to work hard and constantly to contain the destructive potential of conflict. DiMingo suggests that a common mistake public relations agencies make is to stop working to keep an account once they win it:

Too many agencies insist on selling the agency forever--" our people, our places, our resources, our awards." The agency rule: you've got the client already. Keep the account (and by implication, keep out the conflict) by servicing--understanding and solving its problems--not by selling.[20]

DiMingo further advises agencies to work with the same enthusiasm as on the day the contract was signed, and to treat clients continually as prospects, which, in reality, they are with regard to future assignments. Likewise, Bohle urges clients to "treat your agency representatives as partners."[21]

Sources of Conflict

But, what are the main types of relationship-ending conflict? Anecdotal literature in this area identifies three.

The first concerns a fundamental inability of an agency to perform the technical skills and mechanical aspects of the services it was retained to perform. These include typographical errors, factual inaccuracies, failure to meet deadlines, etc., all of which can cast doubt on the competence of an agency.[22] In the case of mechanical or skills failure, the assignation of blame or discovery of solutions for preventing or resolving conflict are relatively clear.

The second concerns the tendency of individuals participating in the agency-client relationship to deviate from expected norms of professional conduct. We use role theory to explain and understand this human aspect of conflict in agency-client relationships.

The third type of conflict may stem from the inability of participants in the agency-client relationship to strategically exchange and manage information. We use game theory and cognitive imbalance or asymmetry theory to explain this aspect of conflict in the agency-client relationship.

In reality, however, there may be considerable overlap of the human and strategic factors contributing to conflict. Hence, neither the classification in human and strategic terms nor the theories used to explain these types of conflict are meant to be mutually exclusive. Neither are the theories intended to provide a complete explanation of the dynamics of conflict in such relationships. No theory could, given the multitude of factors that determine human communication acts.

Roles and Conflict

The success of a client-agency partnership hinges as much upon the actors involved in the relationship as it does upon the process they use to sustain it. According to Towers, "too little attention is paid to the intangible factors" that may either foster or confound the trust that the client and agency perceive in each other.[23]

Public relations observers list factors such as personal style as examples of intangible actor-related variables. Towers, for example, cautions that success may depend upon the extent to which a public relations agency is able to adapt its operating style to the culture of a client:

> *Individuality, directness, independence, and intensity are evidence of firms that prefer to be aggressive. Centrally-managed firms that rely on formal procedures and eagerly conform to your views tend to move much more cautiously. Both styles can be effective. Choose one that matches the style of your organization.*[24]

In a similar vein, DiMingo suggests that the eccentric behavior of creative personnel can damage the agency in a client's eyes if improperly handled:

> *The client entrusts a significant amount of money to the agency's care as well as critical relationships with media, customers and others. Professional behavior can only reinforce that trust. Imagine going to your attorney or your accountant,*

walking into the office and seeing him sitting there wearing a beanie with a propeller on the top. Would you have confidence in that firm's work?[25]

These observations argue the point that agency and client representatives possess notions of what constitutes appropriate professional roles.

The concept of role occupies an important place in social science research, and has been used to explain social[26] and anthropological[27] behavior and structure. However, despite its widespread use, there is considerable disagreement about what the concept means. Some, like Turner, maintain that role refers to a set of norms and expectations belonging to a particular position.[28] According to this view, clients and agencies may hold relatively stable expectations of each other's professional behaviors.

However, other researchers suggest that role behaviors are far more complex and may depend not only upon a person's position but also upon situational contingencies. As Sarbin and Allen put it:

Man is an interacting organism, he is constantly active, and his performance must be accommodated to or assimilated within an ever-changing natural and social ecology. These (ecological) demands ensure that the actor (and his complementary actors) are not locked into a formalized Alphonze-and-Gaston ritual.[29]

Likewise, Gergen suggests that each person possesses a repertoire of roles, any combination of which may be activated in response to a situation. He calls this "multiple selfs."[30]

Public Relations Roles

The importance of role clarity in professional agency-client relationships--as a deterrent to damaging conflict--applies directly to the public relations profession. Practitioners of public relations may find themselves in a number of different roles with their clients.

Public relations researchers[31] and consultation specialists[32] have unearthed five consulting roles or interventions that may be applied to the public relations agency-client relationship. Three of these are client-dominated, the fourth is consultant or practitioner-dominated, while the fifth is collaborative.

The first client-dominated role--labeled **technician**[33] or **provision**[34] role--places decision-making responsibility with the client. The practitioner then accepts and transforms client decisions into a set of actions. The second client-centered role, variously called **communication facilitator**[35] or **catalytic intervention,**[36] also invests the client with the responsibility for making decisions. As the labels suggest, the agency representative is expected to be a catalyst in the decision-making process by managing the flow of pertinent information. In the third client-centered role, that of **acceptant legitimizer**, the agency representative is expected to provide the client with "sympathetic listening and empathetic support."[37]

The only agency-dominated role isolated by these researchers is the expert role. Here, the client passively accepts the expert problem diagnosis and solution prescription provided by the agency representative. Some scholars call this a "doctor-patient" model

because of its similarity to a doctor's diagnostic and prescriptive approach to patients' medical problems.[38]

The last role, called **problem-solver**, is a collaborative role in which both the client and agency enter the decision situation and participate in it as equals.[39]

Supporting Gergen,[40] and Sarbin and Allen,[41] Blake and Mouton suggest that the intervention style employed should be based not on a favored technique or a ritualized expectation, but on the client's diagnosed need and the realities of the situation.[42] Examining the environmental correlates of role behavior, Acharya found that the more complex and dynamic a decision environment becomes, the more likely it is that client-centered roles such as technician will yield to agency-centered roles such as expert.[43]

Thus, both agencies and clients are susceptible to a range of contingencies that can influence role behaviors and expectations. By selecting, and signalling, the most appropriate role, both agency and client can increase the chances of reducing dissonance, thereby minimizing the likelihood of conflict.

We do not have any data to examine role-related conflict between agencies and clients. However, the role literature was introduced because the roles themselves can alternately be conceptualized as information or communication management strategies. For example, the expert role is dominated by one-way communication from agency to client. By contrast, the problem-solver role is characterized by two-way communication. This aspect of role behavior becomes important for and leads to the second model that can be used to explain agency-client conflicts, namely, the game theory model.

Game Theory and Conflict

Game theory postulates that preferred outcomes can be obtained by strategically negotiating and trading information.[44] Information, properly extracted and used, can reduce the uncertainty necessary for productive decision-making. For game theory to become operative, at least two actors are necessary, each with a goal to achieve. In this study, those actors are the client representative and the agency representative.

Two types of games are identified by this theory. The first, a **zero-sum** game, is a win-lose situation in which, if one player wins, the other must lose. War is an example of a zero-sum game. Clearly such a game model is inappropriate for examining agency-client relationships.

The second type of game--one more appropriate to the agency-client relationship--is the **non-zero-sum** game. This is a win-win situation in which:

> *. . . opportunities exist for all players to make the most of the situation by negotiating skillfully so that no one loses and everyone gains an acceptable payoff. In non-zero-sum games, cooperation between players is key because the issue is not "winning" or "losing" per se, but rather negotiating an outcome that will maximally benefit all players. Indeed, a player might cede "points" early on, so as to maximize her own payoff later . . . .*[45]

Murphy adds that negotiation is the key term of the non-zero-sum game because of its emphasis on information as a commodity that can be traded strategically for a mutually satisfactory outcome.[46] Information critical to this negotiation process might include what goals are to be pursued in what sequence, the availability of different courses of action, and

the determination of the particular subset of actions most conducive to attainment of a desired goal.[47]

Popular literature on agency-client conflict indicates that this strategic process of negotiating and trading information does not occur to the extent that it should. Towers reported a survey in which 300 communication and marketing managers gave public relations agencies a "D" grade for strategic thinking.[48] Public relations professional John Budd laments that "he gets no direct input from agencies unless it is in response to a direct question."[49]

Thus, conflict may arise because of an inability to efficiently play a non-zero-sum game, i.e, manage the information in a negotiated decision environment to the optimal advantage of both client and agency.

A PUBLIC RELATIONS FRAMEWORK FOR STUDYING CONFLICT

Public relations decisions are complex because of the many variables and steps inherent in them. Hence, the game-playing ability of either the agency or client representative could break down at any stage of the public relations programming process. A useful approach, therefore, for examining conflict in the public relations agency-client relationship may be to isolate the primary decision points and variables in a prototypical public relations program.

A number of public relations scholars have outlined their views on structuring public relations programs. For example, Cutlip, Center and Broom present a four-step process involving fact-finding, planning and programming, action and communication, and evaluation.[50] Another such approach is offered by Newsom and Scott's seven-step process, which includes planning, theme and media selection, goal setting, contingency planning, selling the program to management, and evaluation.[51]

Either of these programming approaches could serve as a basis for studying points of conflict in a public relations agency-client relationship. However, we chose a third approach--Reilly's six-part planning process[52]-- as a framework for this study because its components appear to parallel likely areas of conflict (e.g., target audiences, cost, etc.). Reilly's six steps are:

(1) purpose of plan
(2) goals and objectives
(3) plans
(4) implementation of actions
(5) audiences
(6) cost

With this public relations programming framework to investigate sources of conflict between agencies and clients, several research questions guided the study.

RESEARCH QUESTIONS

Without the benefit of prior empirical research upon which to base specific research hypotheses, we have chosen to rely on research questions to guide this investigation. The overriding question we asked was:

> **What are public relations agencies' and their clients' perceptions of the major issues of conflict in their professional relationships?**

Game theory suggests that conflict arises because of an inability of people to strategically trade and use information at different stages of the decision-making process. Clearly, the first step is to identify the precise areas of conflict between public relations agencies and their clients.

Using Reilly's six-part public relations decision process as an organizing mechanism, client and agency representatives were asked at which of these six steps, in their opinions, they most severely disagreed with each other.

Answering this question will tell us what agency or client representatives individually think is the locus of conflict in the decision-making process. It does not tell us, for example, whether agency and client representatives agree about the types or sources of conflict.

According to Laing, Phillipson and Lee, consensus is the product of a process they call a spiral of reciprocal perspectives," involving three levels of perceptions.[53] The first is a **direct perspective** (what the agency or client representative individually perceives is the problem); the second a **metaperspective** (or what the agency representative feels is the client perception of the problem); and, the third **metametaperspective** (what the agency representative perceives is the client representative's perception of the agency representative's perception of the problem).

People agree with and understand each other to the extent that one person's metaperspective matches another person's direct perspective. By the same token, a mismatch between these two levels of perceptions can cause cognitive imbalance[54] or asymmetry[55] in a person, leading to misunderstanding and psychological tension. In his coorientation model, Newcomb further suggests that knowing another person's perspective about or orientation towards an issue can provide clues about steps either person can take towards reducing the discrepancy in cognitions and, consequently, tension. Further, it is necessary precondition for corrective action. Among discrepancy-reducing steps suggested by Newcomb are changing one's own (or conversely, the other person's) attitude or orientation towards the problem.[56]

Based on this theory, McLeod and Chaffee[57] developed a coorientation model for measuring the degree of symmetry among two parties' (A and B; or in this case, the client and agency representatives) opinions of their own and each other's views about a common object (X, or, in this case, conflict) of concern or attention. The three elements in the McLeod and Chaffee model are: **agreement**, or the similarity between A's and B's direct perspectives of X; **congruency**, or A's and B's metaperspectives about X; and, **accuracy**, of the degree of actual similarity between A's metaperspective and B's direct perspective of X, and B's metaperspective and A's direct perspective of X.

Since public relations agencies and clients need to know each others' perceptions of where conflict lies in the decision-making process prior to resolving it, the next step is to

examine such perceptions. The McLeod and Chaffee model provides a framework for the research questions that guided this investigation.

(1) To what extent do public relations agencies and their clients agree on the sources of conflict in their professional relationships?

(2) To what extent are public relations agencies' and their clients' perceptions congruent about the sources of conflict in their professional relationships?

(3) To what extent do public relations agencies and their clients accurately perceive each others' perceptions of the sources of conflict in their professional relationships?

METHODOLOGY

Target Population and Sample

The target population for this study was 25 Los Angeles-based public relations agencies and one or more of their current or prior clients. Because of the inherent sensitivities involved in asking agencies and their clients to disclose information about their relationship, only agencies where one of the researchers was known were asked to participate in the study. However, strenuous efforts were made to obtain a broad mix of agencies and clients.

The sample consisted of 30 pairs of agencies and their clients. Initially, 25 public relations agencies were contacted. Of those 25, 12 agencies agreed to participate. Therefore, in order to produce the 30 pairs, some agencies provided information on more than one of their clients. Of the 30 agency-client pairs, 19 represented prior clients and 11 represented current clients. Agencies refusing to participate in the study indicated that they were uncomfortable divulging information about conflict in their relationships with clients.

The agencies included in the study ranged in size from a one-person agency with $35,000 in annual billings to a 60-person organization with $5 million in annual billings.

Agency representatives were asked to identify one or more current or prior clients who would be appropriate candidates to participate in the study. The only stipulation was that the designated client had to agree to complete a questionnaire. Of the 30 agency representatives, four were presidents, three were media relations managers, seven were account supervisors and 16 were account executives.

Among the 30 client organizations completing the questionnaires, 16 represented service companies and 14 consumer product companies. Participating client representatives included three presidents, nine marketing/public relations vice presidents, seven marketing directors and 11 public relations directors.

Data Collection Instruments

The guiding data analytic model used in this study was McLeod and Chaffee's version of coorientation. With this model as a basis, similar questionnaires were used with the agencies and clients involved in the study. Each version of the questionnaire comprised three sections: the respondent's (agency or client) views of the sources of conflict, the

respondent's views of the paired member's views of the sources of conflict, and key demographic data.

More specifically, each party was asked to express its agreement or disagreement on a five-point Likert scale (strongly agree, agree, strongly disagree, disagree, don't know) with a series of statements concerning their perceptions -- as well as their evaluation of the other party's perceptions -- of areas of conflict in their business relationship. These areas were rooted in Reilly's six-part approach to public relations programs, namely (1) purpose of plan, (2) goals and objectives, (3) plans, (4) implementation, (5) target audiences, and (6) monetary costs.

The demographic questions differed between agency and client. Agencies were asked the respondent's title, number of employees, annual billings, and the length of time of the association with the designated client. Clients were asked the respondent's title, type of company, annual public relations budget, number of times it had fired a public relations agency in the past five years, and the length of time of the association with the designated agency.

The questionnaire was pre-tested among six public relations agency executives and two client representatives. These same individuals or organizations were excluded from the actual study. During this pre-test phase, feedback was sought on the questionnaire's readability, clarity of terms and instructions, appropriateness of questions and response categories, length of time to complete, and general reactions. This pre-test yielded several minor suggestions regarding questionnaire format and the need for a more precise working definition of conflict. Those recommendations were incorporated into the final questionnaire, which was typeset and printed in a brochure format.

Administration

Each agency participating in the research was initially contacted by telephone. Upon their agreement to serve as a respondent, they were asked to name one or more former or current clients who might also participate. Those clients were then asked via telephone if they would be willing to complete a short questionnaire about their relationship with the particular public relations agency. All parties were guaranteed anonymity. Once these preliminary commitments were gained, each agency and client was mailed a copy of the appropriate questionnaire and a stamped return envelope. Those who failed to respond within 14 days were reminded by telephone and asked if they needed another copy of the questionnaire.

RESULTS

Responses to the questionnaire items were compared using Pearson product-moment correlation analysis.

With respect to the first research question--the extent to which agencies and their clients **agreed** on the sources of conflict--there were three issues, implementation, audience, and costs, that the two groups agreed were problematic. (See Table 1.) It appears that with an increase in the concrete nature of the conflict comes a greater propensity for the parties to agree on that topic as a potential problem. There seems to be much less agreement in the early, more conceptual aspects of a public relations program.

The second research question, how **congruent** client and agency perceptions were, was addressed investigating what perceptions each group had about the types of conflict in

the agency-client relationships. As noted above, congruency is a term used to describe how similar one's beliefs about how others think to one's own opinions about a set of issues. As shown in Table 1, all correlations between agency representative opinions about the sources of conflict and their perceptions of what the client would report were found to be statistically significant. While agency representatives were more likely to believe that their and the clients' views on the sources of conflict were similar, client representatives were less likely to have similar beliefs with respect to plans and costs. Thus, agencies appear to be more likely to believe they are in agreement with their clients than do, in fact, their clients. It appears that as clients and agencies move toward the more concrete phases of the decision-making process, they seem to be able to isolate points of conflict more readily. In contrast, they don't seem to be able to identify or agree on areas of conflict at the more conceptual or planning phase.

The third research question, how **accurately** the two groups can predict what the other believed to be issues of conflict, was approached by investigating how well the two groups were able to perceive the other's perceptions about conflict. This was done by correlating the perceptions each group had about the other with the other's actual perceptions. As shown in Table 1, agencies, the servers, were able to accurately gauge all six sources of conflict whereas the client group predicted only one, plans.

Table 1

Pearson Product-Moment Correlation Coefficients for Public Relations Agency and Client Coorientation Measures

PR Programming Steps	Congruency		Agreement	Accuracy	
	Client	*Agency*		*Client*	*Agency*
Purpose	**.47****	**.55*****	.19	.05	**.54*****
Objectives	**.50****	**.60*****	.25	.05	**.42****
Plan	.07	**.55*****	-.06	**.51****	**.46****
Implementation	**.44****	**.47****	**.36***	.27	**.51****
Audience	**.60*****	**.31***	**.38***	.14	**.53*****
Costs	.16	**.55*****	**.61*****	.08	**.70*****

* $p < .05$
** $p < .01$
*** $p < .001$

DISCUSSION

To summarize, the key findings of this study were:

- Both agencies and clients tended to agree that common sources of disagreements were target audiences, implementation procedures and costs of a public relations program.

- Neither perceived public relations program goals and objectives--and the relevance of these to organizational status and philosophy--as sources of conflict.

- Both agency and client representatives were sure they knew and understood the other's perceptions about conflict points in the decision-making process. However, agencies were more accurate in their reading of client perceptions of conflict points than were clients in their reading of agency perceptions.

Despite the limitations of generalizability of a small sample, these findings have a number of theoretical and practical implications.

Theoretical Implications

To best understand what they mean, the findings must be interpreted within the theoretical framework that served as a basis for this study.

Game Theory. From this perspective's emphasis on win-win and win-lose strategies for information exchange, it is interesting to note that both clients and agencies perceived that conflict lies more at the action-oriented phases of the public relations program than at the conceptual phases. This would suggest that agencies and clients are entering into a business arrangement without a shared vision of where they are going. Forming goals and objectives--and linking these to organizational status and philosophy--is perhaps the most critical step in the agency-client relationship because it provides a baseline platform against which to evaluate program outcomes. According to Management-by-Objectives (MBO) thinking, establishing such a platform is also critical because it sets a clear, mutually agreed upon direction which then determines the quality and amount of information that needs to be exchanged in order to ensure profitable outcomes.

The absence of such a platform could potentially cause either or both parties to work at odds because of unverified, inaccurate assumptions. Such erroneous assumptions, if present, could exacerbate the potential for conflict which both agencies and clients agree lies in the selection of target audiences, choice of implementation strategy and the attendant costs. Thus, it would benefit both client and agency to develop a "contractual benchmark" of clearly-stated, written and signed goals and objectives upon which to logically build and budget action plans.

The inability of clients to accurately pinpoint agency concerns suggests that client representatives may not be giving agency representatives sufficient information on which to plan a productive campaign. This may be explained because clients view their relationships with agencies as likely to be short-term. As such, they may believe it to their benefit to

strategically limit the amount of information they are willing to share.[58] If so, client organizations may be adopting the more self-serving win-lose game model, in which they try to take advantage of a short-term relationship without giving too much away, when they ought to be trying to build long-term relationships by playing the more cooperative and productive win-win game.

By the same token, the acknowledged presence of conflict, despite the ability of agency representatives to accurately read clients would suggest that agencies may be grasping the information provided, but may not be actively seeking more of it. This may be because the agencies, pressed by unending competitive and bottom-line pressures, are trying to get the greatest return as soon as possible from the client before the relationship ends. Again, in game theory parlance, agencies may be playing a short-term and conflict-generating zero-sum game rather than the long-term cooperative win-win game. A win-lose notion suggests an "us" vs. "them" mentality, whereby each party tries to take advantage of the other party because neither one believes the relationship will last or is worth investing in.

In essence, both clients and agencies need to develop win-win strategies based on a more open and candid exchange of information if they are to sustain a long-term, stable professional relationship.

Role Theory. Too often, the agency-client relationship may be based on the historical expectation that the agency's primary function is to provide technical services the client cannot perform. Since these technical functions may not, in and of themselves, be capable of solving the client's problems, the client organization is likely to be disappointed by the agency's performance, even though it may not be able to pinpoint why.

The agency representatives' seeming inability or reluctance to probe for conflict-reducing information, and the absence of conflict at the goals and objectives stage, further suggests that clients may perceive agencies as fulfilling a technician's role only. Since the decisions in such a consulting situation are controlled by the client, the technician practitioner may be prevented from participating in or managing the complex information environment of a win-win game.

Agencies and clients also need to recognize that the complex and dynamic consulting environment may call for the public relations agency to play multiple roles. Depending upon the exigencies of the situation and client needs, the public relations practitioner must be prepared for, and be allowed to enact multiple combination of roles. For example, at the conceptually-oriented goals and objectives stage, the appropriate role might be a combination of problem-solver and communication facilitator; at the action-oriented implementation stage, however, the appropriate role combination may be expert/technician.

Agencies, then, should understand when and how to use various roles, and then clearly communicate to the client which role they will play at what stage of the game with what outcomes in mind. Without this, serious misunderstanding and relationship-ending conflict is almost inevitable.

Practical Implications

This research clearly indicated the areas of decision-making--from both client and agency perspectives--that are prone to conflict. These are identification of target audiences, and program implementation and costs. Some solutions for addressing these conflict areas have already been suggested in the preceding discussion.

Costs. The findings of this study also indicated that of the sources of conflict, program costs are perhaps the most problematic. Cost disagreements may tie back to unclear goals and objectives. If clients do not understand what a program is expected to achieve, then they will not probably appreciate the cost/benefit ratio underlying it. In other words, a client expecting outcome A will not be happy to pay for outcome B, especially if it is at the expense of outcome A. This issue of accountability has gained importance in recent years as organizations--pressed by fierce competition from abroad--continue to restructure and downsize in an effort to increase productivity and enhance organizational survival.

Budgeting. So what should agencies do? First, they must be able to effectively estimate and budget projects so that their original cost projections are accurate and realistic. In addition, these costs should be a direct outgrowth of the project (and client) goals and objectives--and should be presented to the client in those terms. Approaching a client for increased budget midway through a project often precipitates conflict. Second, agencies and clients should agree from the beginning on the total cost, as well as particular costs within various budget categories. And, like the goals and objectives, this agreement should be in writing and signed by both parties. Also, expenditures should be actively reviewed against budget projections in order to immediately identify unexpected deviations. In that way, the client can be notified and consulted before costs become a major source of conflict.

A Future Research Agenda

This paper attempted to isolate some sources of conflict between a public relations agency and its clients. However, it suffers three limitations which future researchers must address:

- The first is that it is based on a small sample, thus weak on generalizability. This calls for larger sample replications.

- Second, despite using game theory, this study does not have data showing the extent to and the manner in which agencies and their clients exchange information relevant to consensual decision-making. Future investigations should expand the current conflict identification instrument to incorporate such questions. Such studies could lend themselves to ethnographic methods of investigation such as participant observation.

- Third, it does not have data supporting role failure as a source of conflict. Future studies should measure similarities and differences between role expectations (by clients) and role enactment (by practitioners).

Addressing these issues will increase our understanding of, and help minimize, debilitating conflict in agency-client relationships.

ENDNOTES

1. E. DiMingo, "Eleven Deadly sins in Agency/Client Relationships," Business Marketing, 144, 142 (May, 1987).

2. M. Beiser, "It's Time to Name Names," Adweek, 3 (1984).

3. D. Hume, "Agency Client Marriages can Last--Happily, "Southern Advertising Markets, 54 (3): 4-5 (1979), p. 4.

4. St. Michel, C., "The Relationship Between Public Relations Agencies and Their Clients: A Coorientation Analysis." Unpublished master's thesis, California State University, Fullerton, 1988.

5. D. Kent, "When to Fire your Ad Agency: and How to Avoid Needing to," Business Marketing, 54-56 (September, 1985).

6. Wilcox, Dennis, Ault, Phillip and Agee, Warren, Public Relations: Strategies and Tactics, 2nd edition, Harper & Row, NY, 1989, p. 77.

7. Awad, Joseph, The Power of Public Relations, 1965, Praeger Publishers, NY, from "tips & tactics," from a supplement of PR Reporter, October 7, 1985, Vol. 23, No. 14.

8. Maister, David, "Firm Management," Public Relations Journal, August, 1985, P. 15, Vol. 41, No. 8.

9. DiMingo, op cit., p. 144.

10. J.H. Frost and W.W. Wilmot, Interpersonal Conflict (Dubuque, Iowa: Wm. C. Brown, 1978), p.1

11. Ibid, p. 9.

12. Ibid, p. 10.

13. R. Miller, "How To Keep Clients: 11 Mistakes to Avoid," Public Relations Journal, 34, 36 (June, 1985), p. 34.

14. Frost and Wilmot, op cit., p. 12.

15. L.S. Kiely and D.R. Crary, "Effective Mediation: A Communication Approach to Consubstantiality," in J.A. Lemmon, ed., Emerging Roles in Divorce Mediation, Mediation Quarterly, 12:37-49 (1986).

16. Kent, op cit., p. 54.

17. Frost and Wilmot, op cit., p.

18. Kiely and Crary, op cit., p. 11.

19. W.P. Ehling, "Application of Decision Theory in the Construction of a Theory of Public Relations Management." Paper presented to the Public Relations Division of the Association for Education in Journalism and Mass Communication, Corvallis, Oregon, 1983, p. 63.

20. DiMingo, op cit., p. 144.

21. S. Bohle, "Performance: How to Make an Agency More Effective," in Creating Successful Client-Agency Relationships: Leading Public Relations Experts Share Their Insights, a public relations report (undated) of the Bulldog Reporter and High Technology PR News, 15-16.

22. DiMingo, op cit.: Kent, op cit.; A. Towers, "Evaluate and Choose a Public Relations Firm, " Public Relations Journal, 33-34 (February, 1987).

23. Towers, op cit., p. 33.

24. Ibid.

25. DiMingo op cit., p. 144.

26. G.H. Mead, Mind, Self and Society (Chicago University Press, 1934); T. Parsons, The Social System (New York: Free Press, 1951); R.K. Merton, Social Theory and Social Structure (New York: Free Press, 1957).

27. R. Linton, The Study of Man (New York: Appleton-Century, 1936).

28. R. H. Turner, "Role-Taking, Role Standpoint, and Reference Group Behavior," American Journal of Sociology, 61:315-327 (1956).

29. T.R. Sarbin and V.L. Allen, 'Role Theory," (pp. 488-567) in G. Lindzey and E. Aronson, eds., The Handbook of Social Psychology, Vol. 1 (Reading, Massachusetts: Addison-Wesley, 1968), pp. 513-514.

30. K.J. Gergen, "Personal Consistency and the Presentation of Self," in C. Gordon and K.J. Gergen, eds., The Self in Social Interaction (New York: Wiley and Sons, 1968).

31. G.D. Smith, "Public Relations Roles: An Empirical Study of Public Relations Consulting," unpublished M.A. thesis, University of Wisconsin, 1978; G.M. Broom and G.D. Smith, "Testing the Practitioner's Impact on Clients," Public Relations Review, 5:47-59. 1979.

32. R.R. Blake and J.S. Mouton, Consultation (Reading, Massachusetts: Addison-Wesley, 1976).

33. Smith, op cit.; Broom and Smith, op cit.

34. D. Kurpius and J.C. Brubaker, Psychoeducational Consultation: Definition--Functions-Preparation (Bloomington: Indiana University Press. 1976).

35. Smith, op cit.; Broom and Smith, op cit.

36. Blake and Mouton, op cit.

37. Ibid, p. 14

38. E.H. Schein, Process Consultation: Its Role in Organizational Development (Reading, Massachusetts: Addison-Wesley, 1969); S. Tilles, "Understanding the Consultant's Role," Harvard Business Review, 39:87-99.

39. Smith, op cit.; Broom and Smith, op cit.

40. Gergen, op cit.

41. Sarbin and Allen, op cit.

42. Blake and Mouton, op cit., p.5.

43. L. Acharya, "Public Relations Environments," Journalism Quarterly, 62(3): 577-584, 1985.

44. R.D. Luce and H. Raiffa, Games and Decisions: Introduction and Critical Survey (New York: John Wiley and Sons, 1957); M.D. Davis, Game Theory: A Nontechnical Introduction New York: Basic Books, 1983); D.D. Heckathorn, "Game Theory and Sociology in the 1980s," Contemporary Sociology, 15:206-208 (1986).

45. P. Murphy, "Using Games as Models for Crisis Communications," Public Relations Review, 13 (4): 19-28 (1985) p.21.

46. Ibid, p.24.

47. Ehling, op cit., p. 58.

48. Towers, op cit., p.33.

49. J. Budd, "Is There Anybody Out There? Agencies Should Try Listening," PR Week, 9 (August 29-September 4, 1988)., p.9.

50. S.M. Cutlip, A.H. Center and G.M. Broom, Effective Public Relations (Englewood Cliffs, New Jersey: Prentice-Hall, 1985), pp. 199-310.

51. D. Newsom and A. Scott, This is PR: The Realities of Public Relations (Belmont, California: Wadsworth Publishing Co., 1985), pp. 325-332.

52. Reilly, R., Public Relations in Action (Englewood Cliffs, New Jersey: Prentice-Hall, 1981).

53. Laing, R. D., H. Phillipson, and A.R. Lee, 1966, Interpersonal Perception: A Theory and Method of Research. New York: Springer.

54. Heider, F. "Attitudes and Cognitive Organization," Journal of Psychology (1946), 21:107-112.

55. Newcomb, T. M., "An Approach to the Study of Communicative Acts," Psychological Review (1953), 60:393-404.

56. Ibid.

57. McLeod, J. and S. Chaffee, "Interpersonal Approaches to Communication Research," American Behavioral Scientist (1973), 16:471-473.

58. Eisenberg, E.M., "Ambiguity as a Strategy in Organizational Communication," Communication Monographs, 1984, 51, 227-242; Bok, S. Secrets: On the Ethics of Concealment and Revelation, 1983, New York: Pantheon Books.